

Sonakshi JhunjhunwalaSunil Jhunjhunwala

Hong Kong's Inland Revenue Department issues guidance on TP, Tax Residency, PE in wake of COVID-19: Dated 12th August, 2021 Inland Revenue Department (IRD) of Hong Kong issues guidance on tax and transfer pricing (TP) related issues arising from Covid-19. IRD, noting the significant disruptions caused by Covid-19 in people's live, changes to the ways in which businesses operate and the locations where people work, opines that such changes also give rise to certain tax issues, including those relating to tax residence of companies and individuals, permanent establishment (PE), employment income of cross-border employees and TP. In this backdrop, IRD sets out general approach to tackle the same. Revenue further highlights that these Guidance should be read together with the Commentary on the Model Tax Convention on Income and on Capital (MTC) and OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. The Guid.....